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PRESS RELEASE

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Federal Government Must Fulfill Its Commitment to Energy Supply and Distribution to Avoid Economic Impact on Companies

For several weeks now, Mexico's National Center for Energy Control (Cenace) has declared a state of alert and emergency, leading to blackouts in at least 24 states, impacting different industries, especially manufacturing, trade, and services, and thus the country's economic activity.

CENACE stated that it is in "constant communication" with the Federal Electricity Commission (CFE) and other entities in the electric industry to "ensure the availability of sufficient resources, and therefore, continuous power supply."

The official narrative has presented two approaches to "explain" the reasons for the blackouts: first, due to the recent atypical heat waves, and second, because half of the electricity generation is managed by private companies "sheltered during the neoliberal period."

The high temperatures across almost the entire national territory have undeniably led to increased demand for electricity. However, the interruptions are also due to the lack of investments in transmission and distribution activities, which were reserved for the state through the CFE.

Until a few days ago, demand on the National Electric System (SEN) reached 48,472 megawatts of energy per hour, and operating reserves decreased to less than 3%, endangering many areas of the country during productive hours, reducing the operational capacity of companies and workplaces, and sending a message of vulnerability to incoming investments in light of the nearshoring phenomenon.

Currently, our country faces several challenges, and addressing them efficiently will maximize the benefits of business relocation. The intermittency of the national electricity supply is a key factor for the growth of economic activity.

According to the latest monthly survey conducted by the Bank of Mexico among private sector specialists, several factors could limit the country's growth and nearshoring, including competitive conditions in sectors such as electricity and energy (oil, gasoline, and gas).

Therefore, for the National Council of the Maquiladora and Export Manufacturing Industry (INDEX), it is a priority that the federal government fulfills its commitment to energy supply and distribution, as well as maintaining its objectives such as using

alternative sources for energy generation, since in the short and medium term, demand will increase and exceed electrical supply